



**California Public Utilities Commission**  
**505 Van Ness Ave., San Francisco**

**FOR IMMEDIATE RELEASE**

**PRESS RELEASE**

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## **CPUC TO EVALUATE ENHANCEMENTS TO DEMAND RESPONSE TO HELP MEET ENERGY NEEDS AND CLIMATE GOALS**

SAN FRANCISCO, Sept. 19, 2013 -- The California Public Utilities Commission (CPUC) today said it will determine how to enhance the ability of Demand Response to meet the state's clean energy goals while maintaining grid reliability. The intent is to prioritize Demand Response as a utility procured resource, competitively bid into the California Independent System Operator wholesale electricity market.

Demand Response allows electric customers to reduce their electricity usage in a given time period, or shift that usage to another time period, in response to a price signal, a financial incentive, an environmental condition, or a reliability signal. Demand Response saves customers money by lowering peak time electricity usage, thereby avoiding the construction of costly new power plants. California's Energy Action Plan supports energy efficiency and Demand Response as the preferred ways to meet energy demand.

Through the new proceeding opened today, the CPUC will determine whether and how to separate current utility administered, ratepayer-funded Demand Response programs into demand-side and supply-side resources.

The proceeding will: 1) review and analyze current Demand Response programs to determine whether and how to bifurcate them into demand-side (customer-focused programs and rates) and supply-side resources (reliable and flexible Demand Response that meets system resource planning and operational requirements); 2) create an appropriate competitive procurement mechanism for supply-side and demand response resources; 3) determine program approval and funding cycle; 4)



provide guidance for transition years; and 5) develop and adopt a roadmap with the intent to collaborate and coordinate with other CPUC proceedings and state agencies in order to strategize the future of Demand Response in California.

“It is my goal for the CPUC to create a thriving Demand Response marketplace that fairly rewards participants for their contribution, which will result in a net benefit to ratepayers,” said CPUC President Michael R. Peevey. “Our job as regulators is to fix inefficiencies and waste in the marketplace. If a commercial customer can dim its lights using new, low-cost control technologies, without affecting its bottom line, while helping the grid, then the market needs to value that. Demand Response has incredible potential as a clean resource to maintain grid reliability.”

“Demand Response is a key resource for meeting California’s energy needs,” said Commissioner Catherine J.K. Sandoval. “I appreciate President Peevey’s leadership in developing new approaches for delivering Demand Response, and I look forward to following the progress of this proceeding.”

The proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K109/77109230.PDF>.

For more information on the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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